#### TEACHERS' RETIREMENT BOARD

## INVESTMENT COMMITTEE MEETING

SUBJECT: Update on State Legislation	ITEM NUMBER: <u>5</u>
	ATTACHMENT(S): 1
ACTION:	MEETING DATE: September 2, 1998
INFORMATION: X	PRESENTER: Ms. DuCray-Morrill

#### **SUMMARY**

Senator Schiff has agreed to amend his Senate Bill 2123 to permit CalSTRS to enter into credit enhancement agreements with California public schools. In addition a verbal update on legislative activity will be presented by Ms. DuCray-Morrill at the Board meeting.

## **MONTHLY STATUS**

For your information, Attachment 1 is a status report that represents the progress of investment related legislation to date. Ms. DuCray-Morrill will provide a verbal update at the meeting if necessary.

# STATE TEACHERS' RETIREMENT SYSTEM

# LEGISLATIVE SUMMARY - INVESTMENTS 1997-98 Regular Session - August 17, 1998

## BILL NO. >>> STATUS <<<<<<<<<<<

CA SB 1433 AUTHOR: Hayden

TITLE: Tobacco Investments

AMENDED: 06/15/98

LOCATION: Assembly Appropriations (Suspense File)

POSITION: \*Oppose

SUMMARY: Prohibits new or additional investments by CalSTRS and CalPERS in tobacco companies on and after January 1, 1999. Provides partial compensation to CalSTRS for investment earnings losses if there is a normal cost deficit.

COST:

Program - Unknown. Although the potential losses from divestment are no longer an issue, there would still be significant lost opportunity costs associated with the restricted definition of "tobacco company", only partially potentially compensated by the General Fund.

Administrative - Unknown, but likely significant costs associated with maintaining a phantom portfolio to conform to the requirements of the annual report to the legislature, as well as monitoring all future investments against the definition of "tobacco company".

P - Author (Sponsor), AFSCME, ACS, AHA, ALA, CPFFA, CalPIRG, Phil Angelides for Treasurer

O - CalSTRS, CalPERS, Cal-Tax, The Tobacco Institute

<sup>\*</sup>Approved by the Board

# STATE TEACHERS' RETIREMENT SYSTEM

# LEGISLATIVE SUMMARY - INVESTMENTS 1997-98 Regular Session - August 17, 1998

BILL NO. >>> STATUS <<<<<<<<<

CA SB 1879 AUTHOR: Hayden

TITLE: State Government Financial Transactions: retirement systems

AMEMDED: 07/27/98

LOCATION: Assembly Appropriations (Suspense File)

POSITION: \*No Position

SUMMARY: Prohibits the use of specified state funds, including TRF, in specified Swiss banks or Swiss investment firms from January 1, 1999 until January 1, 2000. Establishes an advisory governor's task force.

COST: Program – Unknown at this time

Administrative – Unknown at this time

P – Authors (Sponsors), Various representatives of 9 Jewish organizations

O – DOF, Swiss Bankers Association

CA SB 1945 AUTHOR: Karnette

TITLE: CalSTRS Home Loan Program

AMEMDED: 06/24/98

LOCATION: Enrollment 08/13/98

POSITION: \*Co-sponsor

SUMMARY: Establishes a 100% financing home loan program providing CalSTRS to loan up to 5% of the home's purchase price/value using up to 50% of the members'/buyers' retirement contributions as collateral.

COST: Program - None

Administrative - No net cost to system. All costs paid by

participating members

P - Author, CalSTRS (Co-sponsor), ACSA, ART, CFT, CRTA, CTA, FACCC,

UTLA

O - None Known

Revised 08/26/98 11:55:16 AM

## L E G E N D OF ABBREVIATIONS

## P = PROPONENTS O = OPPONENTS

### **ABBREVIATION** ORGANIZATION

AALA Associated Administrators of Los Angeles

ACCCA Association of California Community College Administrators

ACLU American Civil Liberties Union

ACS American Cancer Society
ACSA Association of California Scho

ACSA Association of California School Administrators

AFSCME American Association of State, County and Municipal Employees

AFT American Federation of Teachers
AGENCY State and Consumer Services Agency

AHA American Heart Association ALA American Lung Association

ALADS Association for Los Angeles Deputy Sheriffs

ART Association of Retired Teachers
AGO Attorney General's Office
BOE Board of Equalization

BOG Board of Governors, California Community Colleges

Cal-Tax California Taxpayers Association
CalPERS Public Employees Retirement System
CalSTRS State Teachers' Retirement System
CalPIRG California Public Interest Group

CASBO California Association of School Business Officers

CCA Community College Association

CCAE California Council for Adult Education

CFA California Faculty Association
CFT California Federation of Teachers
CHA California Heart Association

CPOA California Peace Officers' Association CPCA California Police Chiefs' Association

CPFFA California Professional Firefighters Association

CRTA California Retired Teachers Association
CSAC California Association of Counties
CSBA California School Boards Association
CSEA California School Employees Association

CSL California Senior Legislature
CSU California State University
CTA California Teachers Association

DOE Department of Education
DOF Department of Finance

DGS Department of General Services

DPA Department of Personnel Administration

FACCC Faculty Association of California Community Colleges

# L E G E N D OF ABBREVIATIONS P = PROPONENTS O = OPPONENTS

## ABBREVIATION ORGANIZATION

FCPHE Faculty Coalition for Public Higher Education

FTB Franchise Tax Board FSC Free Speech Coalition

LADSA Los Angeles Deputy Sheriffs' Association
LAUSD Los Angeles Unified School District

MPAA Motion Picture Association of America, Inc.
OCDE Orange County Department of Education

PARS Public Agency Retirement System **PRF** Public Employees Retirement Fund Retired Public Employees Association **RPEA RIAA** Recording Industry Association of America State Association of County Retirement Systems **SACRS** Sacramento County Deputy Sheriffs Association **SCDSA** SBMA Supplemental Benefit Maintenance Account San Diego County Office of Education SDCOE Service Employees International Union SEIU

SLC State Lands Commission
SSC School Services of California
SSDA Small School Districts' Association

START State Teachers' Automation Redesign Team

TFD Teachers for Fair Disability
TRB Teachers' Retirement Board
TRF Teachers' Retirement Fund
TRL Teachers' Retirement Law

USERRA Uniformed Services Employment and Reemployment Rights Act

UTLA United Teachers Los Angeles

## STANDING COMMITTEES OF THE ASSEMBLY/SENATE

Assembly PER&SS Assembly Public Employees Retirement and Social Security

Senate IR Senate Industrial Relations